

# Handling our Code of Ethics

Commission  
or  
bribe?



Discreet  
or  
transparent?



To tell  
or  
not to tell?



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# Introduction

Nutreco is a caring company. We value integrity and openness. And we expect everyone in the company to think and act in that spirit.

But everyday life is not always that straightforward. From time to time we all face a challenging situation in which it is difficult to decide what to do. That is why we have a Code of Ethics.

The Code reflects the values of Nutreco and helps you decide what is right and what is wrong. It provides guidance on doing business in the best way.

A key element is “if in doubt, ask”. Challenging situations often involve dilemmas. For example when acting ethically may lead to a direct loss of business. Dilemmas can and should be discussed and resolved by talking to your supervising officer, your local management or the local Compliance Officer. And in some occasions, the dilemma will be taken to the Executive Board for guidance.

Nutreco will not tolerate corruption or bribery. This approach is driven by the tone set from the top. Together with the help and support necessary, it allows us to do our jobs in a manner that complies with our internal standards and the law.

The Code of Ethics is accompanied by a set of Directives on Business Integrity. These will give you further explanation and specific examples.

Nutreco encourages its employees to report any suspected violations of the Code, or other laws and regulations, through the normal reporting procedures. No employee will suffer as a consequence of reporting, in good faith, suspected violations of laws, regulations or company policies.

I strongly encourage you to read these documents. Only as a transparent company we can build strong and lasting relationships with trusted partners. Because that is our way of feeding the future in a sustainable manner.

Knut Nesse, CEO Nutreco  
September 2014

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# Business Conduct

Nutreco wishes to be a responsible partner in society, acting with integrity and honesty toward our customers, employees, suppliers and business partners, competitors, shareholders and others who are affected by our activities. In conducting our business, we will comply with applicable statutory regulations of the countries in which we operate.

We endeavour to adjust ourselves to local situations within the bounds of applicable law and ethical, responsible business conduct. Laws and regulations that apply may be local and at the same time international laws may prevail.

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## **Suppliers and business partners**

We expect our suppliers and business partners to apply similar standards of conduct. We seek to award business to suppliers and business partners who are committed to act fairly and with integrity towards their stakeholders and who observe the applicable laws of the countries in which they operate.

It is Nutreco policy to record all financial transactions accurately and in a timely fashion. In light of compliance with local and international anti-bribery legislation, it is of great importance that our books correctly reflect (the nature of) the respective transaction in conformity with the applicable accounting standards. There must be no 'off the books' or secret accounts.

## **Sustainable development**

Consistent with our commitment to sustainable development and in line with our Corporate Sustainability Policy, we will do what is reasonable and practicable to minimise any adverse effects of our activities on the environment.

## **Free market competition**

We support the principle of free enterprise and fair market competition as a basis for conducting our business and we comply with applicable competition laws and regulations.



**Always act with  
integrity and honesty**

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# Personal Conduct

## **Equal and fair treatment**

Within Nutreco, every employee has an equal opportunity for personal recognition and career development, regardless of personal background, race, gender, nationality, age, sexual preference or belief.

The same applies to the recruitment of employees. No form of harassment or discrimination will be tolerated.

## **Health and safety**

We are committed to creating a safe working environment containing mutual respect and trust, and will do all that is reasonable and practicable to protect the health and safety of our employees.

## **Child, bonded and forced labour**

We will not use child labour or any other form of forced or compulsory labour. The minimum age for admission to employment or work shall not be less than the age of completion of compulsory schooling as set by national law and, in any case, shall not be less than 15 years.

## **Right to organise**

Nutreco will respect the right of our employees to be represented by bona fide trade unions and other bona fide representatives of employees.

## **Product safety**

The safety, quality and integrity of our products are the basis for our sustainable development. This fundamental principle precludes the use of unauthorised supplies, manufacturing procedures or actions that could prejudice our standards or the sustainability of our business.

## **Innovation**

We are committed to providing products and solutions aimed at creating optimal value for clients. We focus on the continuous improvement and innovation of our products to meet the needs of our customers.

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## Use and protection of assets

Each employee is responsible for the proper use, protection and conservation of Nutreco's assets and resources. This includes properties, assets, proprietary interests, financial data, company know-how and information as well as other Nutreco rights. These assets and resources are to be used solely to pursue and achieve the company's goals and not for personal benefit.

## Conflict of interest

Employees should avoid conflicts of interests between personal and professional relationships. Service to Nutreco should never be subordinated to personal gain or advantage. No employee, his/her spouse, or a member of his/her family may receive improper personal benefits as a result of the employee's position at Nutreco.

## Insider Trading

We will keep non-public information, which might influence the market price of Nutreco shares, in strict confidence until this information is publicly released in accordance with applicable legal requirements and stock exchange regulations.

While in possession of sensitive information concerning Nutreco, which could influence the price of Nutreco shares and related rights, all employees must refrain from directly or indirectly executing transactions in Nutreco shares or such rights.

Specified information and rules on this subject are laid down in the Nutreco Insider Trading Policy that can be found on the Nutreco website ([www.nutreco.com](http://www.nutreco.com)) under the Corporate Governance section.



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# Business Integrity

## Gifts, favours and hospitality

Gifts, favours and hospitality (incl. entertainment), in whatever form, should never be given or received where the gift is intended or would appear to obligate the recipient towards the provider. Cash or cash equivalents, such as securities, may never be offered or accepted.

### Why is this an issue?

Providing benefits such as gifts, invitations to meals, and invitations to entertainment events, travel and lodging is often considered a form of courtesy and is common in to cement good working relationships in many countries. However, anti-corruption laws prohibit offering or providing anything of value, including gifts and hospitality, to a third party in order to obtain an improper advantage and/or unjustly influence official action. In addition, the acceptance of such benefits is specifically regulated in many countries because it is seen as one of the most obvious forms of bribery. Special concerns arise when such gift or entertainment involves government officials: In such cases bribery is easily assumed.

### What is our policy?

Business decisions should be based solely on benefits to Nutreco and not on considerations of past or future personal gain. Nutreco employees may provide and accept minor business amenities (i.e. promotion materials of with the company name/logo on it) to strengthen and build legitimate business relationships. However, as personal favours and gifts may influence business relationships negatively, they should not be requested or given, especially in circumstances that may compromise the integrity of business decisions or create the appearance of an impropriety. Exceptions require consultation and prior approval by your supervising officer or local management.



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### **Mandatory principles are:**

- Gifts, favours and hospitality to or from external parties may only be given or accepted as a business courtesy, provided such practice is accepted, locally and in the industry, as a token of appreciation and is in compliance with applicable laws and the external party's own ethics policies;
  - The gift, favour or hospitality should be made voluntarily and should not have a value that may influence a business decision and/or that may lead to a relationship of dependency or create the appearance of an impropriety;
  - If a proposed beneficiary has decision-making authority over an expected or pending decision affecting Nutreco's interests, there shall be no suggestion that the gift or invitation has been made for this reason;
  - Gifts, favours or hospitality may never be given or accepted in the form of cash or cash equivalents;
- It is prohibited to provide or accept personal financial assistance of any kind to or from a customer, supplier or other business contact;
  - In instances of giving gifts, favours and hospitality, consult and respect, if available and possible, the counterpart's ethical guidelines to ensure they are respected in addition to our guidelines.

### **What does this mean in practice?**

#### **Small gifts (<€ 50) and Invitation to meals:**

Giving or receiving small gifts is often part of the local culture; it is also worldwide custom to discuss business over a meal. Approval is not required for these benefits, provided that the value of the benefit is not excessive. Any concerns can be discussed with the Local Compliance Officer.



**No  
personal gain**

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**Entertainment:**

Invitations to entertainment events (for example: to attend plays, concerts or sporting events) tend to have only limited direct relevance to business and therefore can create an appearance of bad faith or impropriety. For that reason, entertainment invitations to or from third parties, other than for certain company-organised events (e.g. Aqua- or AgriVision), require prior approval from the next level of management.

Approval will normally be granted if the following conditions are met:

- The aforementioned mandatory principles are satisfied;
- Invitations for occasional sports and other hospitality events may be offered and accepted, but only up to two times a year per business contact;
- The entertainment serves a legitimate business purpose.

**Travel and lodging:**

From time to time it may be necessary to pay for (or benefit from) the travel and lodging expenses of third parties, for example, for attendance at business related conferences, seminars or multi-day business meetings, including any incidental entertainment. Since however such costs may represent a significant financial and personal benefit for the person invited, these invitations are subject to prior approval by the next level of management.

Approval will normally be given if all the following conditions are met:

- The invitation meets the aforementioned mandatory principles;
- The travel is directly related to the promotion, demonstration or presentation of Nutreco products or services;
- The distance of travel and duration of stay are justified by good faith business reasons such as the location of a plant, gathering of all relevant experts on the occasion of a trade fair, availability of flights, etc.;
- The business purpose could not be accomplished more cost-effectively without travelling or by travelling to a closer location. Travel guidelines that apply to Nutreco employees should apply equally to their guests for both local and non-local travel;
- Accepting travel and overnight accommodation paid for by (potential) suppliers is not allowed, except for training and/or study purposes, provided that the costs are limited and reasonable in relation to the benefits from the training/study event;
- The invitee's spouse or other guests are not invited, unless in exceptional cases where there is a social or cultural obligation, or Nutreco organised events hosted for employees and spouses;
- Government authorities and agencies may have strict policies concerning the acceptance of gifts, sponsorships and invitations for sports or other hospitality events. These policies must be adhered to.

## Gifts: Don't get caught in the RED

Business courtesies – including gifts, meals and entertainment – are an important way to cement good working relationships between those who do business together. However, such courtesies can have negative consequences for an organisation and its relationships with business partners if they are

not handled correctly. Businesses cannot offer, promise, or give anything of value, directly or indirectly, to a foreign official for the purpose of obtaining or retaining business. Corporate gifts should be carefully considered to ensure they do not appear to violate these prohibitions.

### Gift Guidelines



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# Business Integrity

## Payments to third parties

Third-party payments (including facilitation payments) in the form of remuneration or otherwise to agents, consultants, commissioners, distributors, freight forwarders, dealers, government officials and other similar third parties, need to be (1) in compliance with applicable law and regulations, (2) appropriate in relation to the services performed, (3) for legitimate services only and (4) need to be recorded in accordance with our accounting principles.

Nutreco distinguishes the following categories of Third-party payments:

- Payments for routine actions (facilitation payments)
- Payments to Third Parties: agents, consultants, commissioners, distributors, dealers, and other similar parties:
- Payments to political parties and politicians.

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## Facilitation payments

These are small payments made to lower-level government (customs etc.) or private sector employees, as a personal benefit to them, to secure or speed up the performance of a routine action to which the payer is entitled. A characteristic of facilitating payments is that the service obtained as the result of such payment represents the legitimate function of the official concerned to facilitate or expedite the routine action.

### Why are facilitation payments an issue?

They are a form of bribery, since it is used to obtain a preferred position or service;

- Payments for routine action are illegal in almost all countries, including the Netherlands (only a few law regimes still allow facilitation payments but under strict conditions, like Canada, US, Australia);
- Paying for routine government actions opens the door to more serious issues of bribery.

### What is our policy?

Since payments for routine action/facilitation payments can be linked to corruption and given applicable legislation in place, Nutreco strongly opposes to the making of facilitating payments. We are aware that practical problems around this issue do arise in everyday business in some countries. If these arise, you therefore need to discuss such items

immediately with your supervising officer, local management or the Local Compliance Officer, to advise you. In all cases applicable law and regulations should be complied with.

## Payments made to agents, consultants, commissioners, distributors, dealers, and other similar third parties (“Third Parties”)

### Why can payments to Third Parties be (come) an issue?

Nutreco’s general policy on corruption and bribery policy should not be circumvented by payments to Third Parties (and thus potentially causing an ultimate payment that is in conflict with our policies).

Against this background, any payment should be justified by clear and demonstrable services rendered by that party to Nutreco.

### What is our policy?

The acceptability of a payment to a Third Party has to be determined on the basis of a thorough evaluation and assessment, by responsible management, of all relevant information in respect of the proposed payment, the services to be provided, the mandatory principles as described below as well as the Third Party to whom it is to be paid.

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### **Mandatory principles:**

- Any payment to a Third Party should be justified by clear and demonstrable services rendered by that party to Nutreco. Nutreco only makes payment to the provider of goods or services; received, based upon and documented by a proper invoice;
- Any payment for a company's products or services must be made to that company, not to an individual;
- Payments to a so-called numbered account or a request to divert a payment to an entity or person offshore are strongly discouraged and always need prior approval by the next higher level of management;
- All payments must be properly and fairly recorded in appropriate books of account available for inspection by Internal and External auditors and local/tax authorities;
- All payments should be made to a bank account designated in writing. Cash payments are strongly discouraged and shall always need prior approval by the next higher level of management;
- No payments may be made to a government official;
- No kickbacks shall be made;
- The company or its employees will not engage in coercion (including extortion or solicitation of bribes), collusive schemes (such as bid-rigging) or fraud.

### **What does this mean in practice?**

- No payments will be channeled through Third Parties.
- All payments made to a Third Party should be intended for the Third Party itself. For distributors and/or dealers an exception can be made on this rule: Payments by Nutreco, based on pre-agreed conditions (like discounts, rebates etc.) may be channeled through the distributor/dealer while such payments are destined for the end user. Such exceptions may be granted after prior consultation with the next higher management level;
- The remuneration of Third Parties may not exceed the normal and reasonable commercial rates for the legitimate service rendered by the Third Party;
- A Third Party shall be appointed by virtue of a contract in writing, which shall always incorporate a reference to the Nutreco Code of Ethics. Such contracts shall be registered with management in the country;
- The background of the Third Party must be reviewed thoroughly by the person proposing the Third Party in close cooperation with the country management; evidence of such review must be maintained in the office and be available for auditing;
- A record will be maintained of the names and terms of engagement of all Third Parties. The record with all relevant information about the Third Parties is to be kept at the commercial department and shall be available for inspection by auditors at any time.

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## Payments to political parties and politicians

Political contributions refer to contributions of anything of value to support a political goal. Examples include local, regional or national political fund-raising events, providing goods or services, paying employees during working hours to work at a political function, or paying for campaign expenses.

### Why is this an issue?

Political contributions can create problems for Nutreco because:

- Political contributions made on behalf of companies are vulnerable since it can create abuse;
- Political contributions by companies are illegal in many countries.

### What is our policy?

Nutreco companies shall not pay advisory fees, make payments or donations, in money or in kind, to political parties, political organisations or individual politicians. Contributions to industry associations or fees for memberships in organisations that serve business interests are not considered to be political contributions.



**Commission  
or  
bribe?**

# If in doubt: ask

Our Code of Ethics is crisp and clear: But we know that everyday life is not always that straightforward and may confront us with challenging situations.

Our key message therefore is; "IF IN DOUBT, ASK". Dilemmas can be discussed and resolved by talking to your supervising officer, local management or the Local Compliance Officer if that seems preferable. When necessary the dilemma will be taken to the Executive Board for guidance, acting as the moral compass of Nutreco.

## **If you are uncertain about a situation**

If you are uncertain about a situation you experience in your job that might be a violation of the Code of Ethics, please ask for guidance. There are three options for asking your question. You should use the first option with which you feel comfortable and confident.

1. Talk to your direct manager.
2. Talk to your General Manager, or the manager of your direct manager.
3. Contact the Local Compliance Officer. You can do this by sending an e-mail to [compliance@nutreco.com](mailto:compliance@nutreco.com) or call +31 33 422 6118.

## **If you are aware of actions**

If you are aware of actions that you suspect may violate the Code, please ask for them to be investigated. There are four options for reporting (suspected) irregularities, which are the same as the 3 already mentioned above, and the possibility of using the Nutreco Integrity Line.